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FOR IMMEDIATE RELEASE

December 19, 2002

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AUSTIN MAN ARRESTED AND CHARGED WITH AIDING AND ASSISTING IN THE PREPARATION OF FALSE AND FRAUDULENT INDIVIDUAL INCOME TAX RETURNS

(AUSTIN, TEXAS) Internal Revenue Service - Criminal Investigation agents arrested an Austin man this morning on charges of aiding and assisting in the preparation of false and fraudulent individual income tax returns.

According to the 21-count indictment—returned on Tuesday and unsealed this morning—**JASON ANDREW SIMS**, a former employee of the Dell Computer Corporation, was involved in a scheme from February 1999 to on or about October 26, 2000, to collect fees for preparing false tax returns. The indictment alleges as part of the scheme, Sims prepared false Schedule Cs, which are attached to Individual Income Tax Returns, Form 1040. Schedule Cs are used to report income and expenses by sole-proprietors. Sole proprietors are personal businesses owned by a single individual. All of the Schedule Cs were false and fraudulent in that the reported schedule C businesses did not exist and therefore could not have generated the income and expenses reported. According to the indictment, unjustified refunds resulting from the alleged scheme amounted to approximately \$91,400. The indictment also alleges that Sims assisted the taxpayers in preparing for audits by Internal Revenue Service personnel. In doing so the defendant provided them with false receipts and documentation in support of the false and fraudulent Schedule Cs. In addition, the Defendant prepared the taxpayers with possible questions by auditors and suggested answers. The indictment further alleges that Sims received a fee for his fraudulent services. At times, the fee was based on a percentage (usually 13.35%) of the difference between what the taxpayer should have properly paid in taxes and the lower tax amount figured by the Defendant.

Upon conviction, Sims faces up to three years in federal prison and a maximum \$100,000 fine per count. An indictment is a formal accusation of criminal conduct, not evidence. The defendant is presumed innocent unless and until convicted through due process of law.

This case is being investigated by special agents with the Internal Revenue Service - Criminal Investigation and prosecuted by Assistant United States Attorney Mark Lane.

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